Financial Literacy 9-12

Key Element:	FL1: Demonstrate financial responsibility and planning skills to achieve financial goals for a lifetime of financial health.			
Essential Concepts	Principles that Underlie the Standard	Integrated Standards	Sample	Activities
1.1 Develop short- term and long-term financial goals	Students will: * Understand the concept of setting short-term (next 6 mo) and long-term goals (beyond 6 months) * Evaluate the role short-term and long-term goals play in financial success * Assess the impact of goal setting on personal budgets *Describe the impact of goal setting on personal financial success		Prepare a list of short-term goals and a budget to achieve those goals. Prepare a list of long-term goals and a budget for achieving these goals. Determine the financial instruments needed for each? Explain how to measure success or lack of success over a given period of time. Define a spending plan and list the key points to consider when developing a personal spending plan.	Using a lifestyle of your choice, develop short- and long-term goals for acquiring assets and other lifestyle items of choice. How much money will you need as income to afford this lifestyle? Write a justification for the use of credit, how you will use it, and how you plan to repay it? Explain why a spending plan will, or will not, help you live within your current means.

FL1

Essential	Principles that Underlie the	Integrated	Sample Activities	
Concepts	Standard	Standards		
1.2 Understand needs versus wants	Students will: *explain the difference between needs and wants *analyze their own wants and needs to determine importance (prioritize) *develop plans to achieve their most important wants and needs *explore individual decisions made as a consumer and distinguish between fact and opinion in advertising		Analyze a listing of items that could be considered either a want or a need. For each item describe a scenario when it would be considered a want. Then provide a situation where it could be considered a need. Answer questions in the text to define wants and needs. Do the matching exercise to label items as wants or needs.	Create a role-playing situation that demonstrates the difference between wants and needs. Involve your classmates in the situation and then respond to other students' questions on how you decided what criteria to use. Make a list of items you believe you need but may be considered a want. Write a journal reflection justifying why each item is a need rather than a want.

	FL2: Manage money effectively by developing spending plans and selecting appropriate financial instruments to			
Key Element:	maintain positive cash flow.			
Essential	Principles that Underlie the	Integrated		
Concepts	Standard	Standards		e Activities
2.1 Develop a realistic spending plan	Students will: *understand the concept of developing a spending plan that helps them to live within their means *demonstrate their ability to evaluate spending plans to maintain a larger income than expenditures		Compare three different spending plans to determine which is most effective and which is most realistic. Identify the strengths and limitations of each plan.	Using your present income, develop a realistic spending plan to be able to acquire an item of your choice without going into debt. Write a justification for why this plan is the best option.
for financial independence	*develop and assess impact of different spending plans to make informed choices *describe the impact of global issues on financial planning		Define a spending plan and list the key points to consider when developing a personal spending plan.	Explain why a spending plan will, or will not, help you live within your means.
2.2 Understand various sources of compensation	Students will: *identify various types of income (e.g., allowances, salary, hourly wage, commission, benefits) *compare various compensation options to determine which best fits their needs *explain how income affects lifestyle and spending choices		Compare and contrast the benefits of hourly wage versus salary wage. Create a chart outlining your findings. Make a list of possible sources of income. Give the common advantages and disadvantages.	Create a chart of your potential sources of income. Identify ways to increase your income through realistic measures and determine the long-term impact of each decision on your personal lifestyle. Describe a business in the local community that might offer salaried, hourly, commission wages, or any combination of the three. Explain which of these three options you would prefer and why.

FL2

Essential Concepts	Principles that Underlie the Standard	Integrated Standards	Sample	Activities
2.3 Understand the distribution of resources	deficites of different resource		Create a pie chart showing how much money is spent on various expenses each month. Explain the importance of savings and where savings should be in the chart and justify your response.	Create a personal spending and saving plan to include expected expenses during your first year out of high school and include at least one of the following: savings, giving, investing.
resources			Make a list of expenses most individuals encounter their first year out of high school.	Create a list of all expenses you expect to incur during your first year out of high school. Identify additional demands for your resources that may be unexpected.

Essential Concepts	Principles that Underlie the Standard	Integrated Standards	Sample 2	Activities
2.4 Understand financial instruments	Students will: *understand the responsibility of maintaining accounts using financial instruments such as checking accounts, debit cards, & ATM cards. *demonstrate the ability to reconcile personal records with financial institution's records *differentiate between interest-bearing and non interest-bearing accounts *recognize the impact of fees and charges *identify options for online financial transactions (buying, making payments, transfers, etc.)		Compare and contrast various methods of withdrawing funds from a financial account. Then explain why people have difficulty maintaining accuracy with records. Using data provided, complete checks and record them in the accompanying register. Reconcile the check register with the bank statement when finished.	Visit an account representative in your choice of financial institution to determine an account that will best meet your needs during the next three years. Create a list of services offered that were not available five years ago. Compare this information with available information through online financial institutions. Decide which offers a better option for you and explain why. Make a list of the types of financial institutions in the local area. Determine the types of services each provides and group the institutions according to the services offered.

Key Element:	FL3: Make informed and responsible decisions about incurring and repaying debt to remain both creditworthy and financially secure.				
Essential Concepts	Principles that Underlie the Standard	Integrated Standards	Sample	Activities	
3.1 Identify responsible credit card management	Students will: *compare and contrast offers of credit card, instant loan, and introductory offers (low rate introductory, start up fees, fixed rate) *explain credit card features, including annual fees, interest rates, and incentives *understand implications of making minimum payments, late payments, and late fees		Compare three different credit cardsfeatures, incentives, fees, interest. Complete an Internet search for offers of credit cardsidentify differences in features and hidden fees, as appropriate. Assume that you have a credit card that charges 9% interest. You've charged \$650. The minimum payment due is \$25. How long will it take you to pay off the \$650 if you make only minimum payments?	After comparing various credit card offers, select a credit card that best meets your expected needs. Determine how and when you will use the card and describe when it is better to use a credit card than cash. Using credit card offers to at least three different companies, list the advantages and disadvantages of each card. From this information, determine which is the best option for you.	

Essential	Principles that Underlie the	Integrated		
Concepts	Standard	Standards	Sample Activities	
3.2 Understand different types of debt	Students will: *understand the types of debt consumers encounter *compare loan terms and rates to determine best choice *identify the impact of loans on a personal financial plan, such as auto, student, credit card, major purchase *identify asset producing debt versus living expense debt		Calculate the real cost of a loan, including principal, interest, and fees. Compare various options for reducing the total cost and identify the best option for consumers. List the types of debt consumers encounter. Explain the types of rates charged and the impact	Research the loan terms and rates of two different sources and develop a presentation to provide a financial officer from one of those sources your proposal for a personal loan (car, school, business start up). Include your assets that can serve as security for the loan. Select the type of loan you would most likely secure in the next 6 months. Using the current interest rates from three different sources, determine which offers you the
			loans have on consumers.	best loan option. Why?

FL3

Essential	Principles that Underlie the	Integrated		
Concepts Standard Standards		Sample	Activities	
3.3 Understand rights and responsibilities of borrowers	Students will: *Identify factors considered for qualifying for and securing a loan (i.e. what makes a person a good or bad credit risk) *Understand the meaning of a credit score and how it is used to negotiate better loan options *Identify the steps in checking their own credit score and making corrections if needed *Explain the potential consequences for not meeting the requirements of the agreement (i.e., payment amount, due dates, insurance, taxes, etc.) *explain an individual's rights and responsibilities under consumer protection laws	Stanuarus	Compare three credit scores and determine whether any of the scores would be eligible to receive a loan. Working with a partner, consider various options that individuals have to increase their credit score and create an improvement plan for each of the three individuals. Identify the national credit reporting agencies and describe what they do. Then explain how a credit score is calculated and what factors influence the score positively or negatively.	Create role-playing situations of applying for a loan. Assume that you are applying for a loan and explain the use of your credit score, risk factors, and what you need to do to meet the requirements of the lending institution. Include potential consequences of not meeting the requirements. Visit with five different adults that you know well to determine if they know their credit score or know how to find their score. Explain the results of your inquiry.

Key Element:	FL4: Evaluate and identify appropriate risk management options, including types of insurance, non-insurance, and identity protection.				
Essential Concepts	Principles that Underlie the Standard	Integrated Standards	Sample	Activities	
4.1 Establish strategies for protection of identify	Students will: *describe the importance of protecting their identity *distinguish legitimate from fraudulent solicitations *understand the impact of technology on personal security *identify important identification numbers and explain when they should or should not be shared *explain ways to protect their identity		Interview an adult to learn the following: What specific steps they take to protect their identity and how they distinguish legitimate from fraudulent solicitations. Then interview a student to learn how he or she is protecting their identity and compare their responses to those you received from the adult. What differences did you notice? Similarities?	Using a variety of sources, research various aspects of identity theft and determine what steps should be taken to protect yourself against identity theft. Prepare a 5-minute presentation to inform your peers on the importance of self-protection against identify theft. Explain how you are protecting your identity and what you have done to help recognize fraudulent offers and solicitations	

		Describe identity theft, the ways an individual can have an	
		identity stolen, and why it is	
		important to immediately report	List all the important types of
		the theft to appropriate entities.	numbers that you currently have
		List different ways your identity	that should be protected. Share any
		can be stolen. List ways that an	experience you or someone you
		employee's identity can be	know has had with scams or
		stolen.	fraudulent activities.

Essential Concepts	Principles that Underlie the Standard	Integrated Standards	Sample	e Activities
4.2 Recognize different types of insurance	Students will: *explain different types of insurance and identify the appropriate need for each *determine appropriate options available to reduce the cost of premiums		Compare cost and benefits of renters' insurance and car insurance. What are factors that affect cost of premiums. List the different types of insurance and what each provides for coverage. (car, homeowner, renter, life, health, mortgage, disability)	Create a risk management plan for yourself for your first year out of school. Cover your basic lifestyle needs. Then contact a local insurance agent or use an online company for quotes on auto and renter's insurance. With help of the agent or online source, determine deductibles for the insurance. Review your personal budget and explain how the new insurance cost might change the budget. How did your credit record affect your insurance premium? Assume you are in your first year out of school. Which of these insurances are appropriate for you and why? Auto, renters, health, life, mortgage, disability

Essential	Principles that Underlie the	Integrated		
Concepts	Standard	Standards	Sampl	e Activities
4.3 Recognize different types of non-insurance protection	Students will: *explain the importance of legal and written documentation to protect individuals *identify types of documentation used by individuals to prevent personal and financial loss *analyze the types of protection available and their appropriate use		Find examples of waivers used for at least three different activities. Compare the types of protection each offers and determine areas that might still need to be included. How might this be demonstrated in other areas of an individual's investment? Describe the need for protection beyond insurance. (Such as types of legal documentation.)	Create a mock business using an idea of something you feel is needed in your community. Make a list of the types of documentation you need to protect yourself legally. Create a waiver for your consumers/clients or employees to sign. Think of an idea you had or a product you wish someone would create. Identify the types of documentation needed to protect someone from stealing your idea or helping you to create a business and later force you out without an appropriate settlement.

	FL5: Assess the value, features, and	planning proces	sses associated with savings, inves	sting and asset building and apply
Key Element:	this knowledge to achieve long-term f	inancial securit	ty with personal and entrepreneu	rial goals in a global market.
Essential	Principles that Underlie the	Integrated		
Concepts	Standard	Standards	Sample	e Activities
	Students will:			Create a comprehensive savings
	*assess the many factors that			plan based on current income and
	influence financial planning			needs. Use information you gather
5.1 Recognize	*explain the importance of savings		Compare two long-term savings	from a local financial institution or
investment	*explain the impact of short-term and		plan scenarios (offering	online to determine the most
options	long-term financial goals for asset		different interest rates, length of	appropriate savings plan that fits
	building		time, amount contributed at	your needs the best. List the reason
	*outline the process of adjusting the		different times). Determine	why you believe this is the best
	financial plan to accommodate		which option offers a greater	choice for you based on your short-
	changes in funds		return.	and long-term goals.

*describe the importance of adjusting goals over a lifetime as well as to			Explain why you would want to
prepare for retirement and estate planning	l	Explain the importance of having a savings and setting short-term and long-term goals.	have savings. Describe short- and long-term goals you currently have. Explain how these goals will change once you are out of school.

Essential Concepts	Principles that Underlie the Standard	Integrated Standards	Sample	e Activities
5.2 Distinguish investment options	Students will: *identify various investment options and be able to distinguish between the different types *demonstrate an understanding of the power of compounding interest		Given two different investment amounts, a higher amount with a lower interest rate and the lower amount with a higher investment rate (e.g., \$1000 at 5% and \$800 at 6.5%), compare the return on each and explain the value of interest rates. Define investment and list various options for investing. Be sure to highlight the features of each.	You have two investment options available for 6 months. First decide which option you will take. Then Evaluate the two options to see which offer is better and by how much. Justify why you chose the one you did and why it was or was not the best option for you. Given a specified amount of money, determine how you would choose to invest the money? Justify your answer.

Essential Concepts	Principles that Underlie the Standard	Integrated Standards	Sample	e Activities
5.3 Understand the relationship between nvestment risk and return	Students will: *identify the level of risk involved with investment options *explore the potential returns related to investment options *explain the concept of wealth building.		Compare three different investment scenarios. Explain which option provides the highest risk and which has potentially the best return. Describe how this can impact a wealth-building plan.	Create a drawing that reflects investment options to include both risks and rewards. Write a reflection to clarify the drawing for a gallery walk audience.

	Describe levels of risk/return involved with various investment options (e.g., stocks, bonds, CDs).	Define your strategy to build your wealth given your tolerance for risk and return. Explain how this aligns with your spending and saving plan.
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Key Element:	FL6: Understand human, cultural, and societal issues related to financial literacy, and practice legal and ethical behavior.		
Essential Concepts	Principles that Underlie the Standard	Integrated Standards	Sample Activities
Сопсерь	Students will:	Standards	Sample Activities
6.1 Recognize	*explain the far reaching effects of		
international	financial transactions		
impact of	*evaluate the cost of a purchase from		
personal	raw materials to the purchaser (i.e.,		
financial habits	the costs associated with purchases of		
and actions	products or services) and the resulting		
	international economic impact		